

Private Higher Education Opportunities and Challenges

Excerpts from remarks by Harvard University President Lawrence H. Summers at the Higher Education Summit of the Federation of Indian Chambers of Commerce and Industry, New Delhi, March 23, 2006:

...I was impressed by some figures that I was given suggesting that the U.S. and India have in common that about 70 percent of all education is publicly financed and 30 percent privately financed. But a sharp distinction between the U.S. and India occurs at the higher education levels—only 20 percent of Indian education is financed privately whereas more like 50 percent of American education is financed privately....Why [is] this so important?...

Wisdom: Education is in many ways the foundation for civil society and the basis for democracy.

Prosperity: There can be no question that, increasingly, higher education is central to prosperity and creating the kind of leaders of institutions that can drive an economy forward....

Opportunity: ...Without providing a strong basis for individuals born in any circumstances to move to higher education there is not the possibility of creating the kind of equality of opportunity based on merit and excellence on which the legitimacy of our society depends....

Five lessons from the American experience for you to consider in strengthening your higher education system:

- The most important guarantor of both quality and adequate investments in American higher education is competition....[For example our] History Department is constantly engaged in thinking about which outstanding historians from other universities we could—with appropriate tactics, appropriate salaries, with an appropriate offer—bid away from another institution....If there is a single reason why American education has excelled, it is the brutal competition for students, for faculty, for grant funds....At the federal level in the U.S. we rely primarily on direct federal support for students, who can then take that support to the institutions they choose, who then compete to attract the best students....

- American higher education depends on flexibility and the capacity to respond. Unlike what takes place in the primary and secondary level, there is in the U.S. no standard for what constitutes a nec-



(From left) Lawrence H. Summers, FICCI President Saroj Kumar Poddar and Deputy Chairman of the Planning Commission Montek Singh Ahluwalia at the education summit.

essary curriculum. No mandate as to how the academic calendar is to be organized. No set of requirements for what a university must provide....The culture of American private institutions, in which leaders are selected, not by members of the faculty or student body or staff, but by independent trustees, is a powerful spur to quality....Success depends on flexibility. That means, for example, that at Harvard and other great universities there are no fixed salary scales. When an extraordinary professor gets an extraordinary opportunity, we are in a position to change her salary. People of different ages or in different fields, because of conditions in the marketplace, have salaries that can differ by a factor of two or three. Students who want to change their curriculum or forge a major that cuts across two different fields are permitted to do so....

- Universities must be places based on the authority of ideas, rather than the idea of authority....There is no question that should be impossible to ask, no subject that should be beyond the scope of inquiry, no issue that should be regarded as finally settled, and no one who should be above or beyond debate....

- There must be generous philanthropy. Our ability to maintain an institution like Harvard, the United States' ability to maintain a system of private higher education, depends on...wealthy individuals who recognize their obligation to an institution that gave them their start, or to giving something back to society, or to promoting a cause that they believe in. It depends on a government's set of policies, ranging from tax deductions to an attitude taken by public officials that celebrates and welcomes, and is unthreatened by, individual generosity....

- Successful universities focus on research and on professional education as well as on undergraduate study....Universities have as their objective not just training students, but providing new knowledge. □



Students take their meals at the Memorial Hall on the Harvard campus.

Courtesy FICCI

COMPETITION